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## QACP 10 - CONTROL OF NONCONFORMING PRODUCT PROCESS

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### **PURPOSE:**

To ensure that all nonconforming product is identified, documented, controlled, and disposed of in accordance with the Triton Marine Group or customers' requirements.

### **SCOPE:**

Product that fails to conform to specifications and requirements.

### **DEFINITIONS:**

Correction - Repair or adjustment that relates to the disposition of an existing nonconformity or defect.

Corrective Action - Action taken to eliminate the causes of an existing nonconformity or defect in order to prevent recurrence.

Repair - Action taken on a nonconforming product so that it will fulfil the intended usage although it may not conform to the originally specified requirement.

### **RESPONSIBILITIES:**

The General Managers and Department Managers are responsible for ensuring all nonconforming product is identified and controlled, and that all nonconforming product is disposed of in accordance with the requirements of the Triton Marine Group or its customers.

All employees are responsible for the identification of nonconforming product.

### **REFERENCES:**

Red "HOLD" tag  
Green Sticker  
Blue "USED CONDITION" tag



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**PROCEDURE:****10.1 Process Links**

Process Inputs	Process Activities	Process Outputs
<i>Purchasing Process</i> <i>Order Filling Process</i> <i>Product Repair Process</i>	Receiving Inspection Repair Inspection Final Inspection	<i>Order Filling Process</i> <i>Control of Nonconforming Product Process</i> <i>Improvement Process</i>

**10.2 Nonconformance identification and disposition**

- 10.2.1 When nonconforming or suspect product is identified, and the nonconformance cannot immediately be rectified, the employee who identifies the nonconforming or suspect product attaches a red "HOLD" tag to the product and segregates it to ensure that it cannot be used unintentionally.
- 10.2.2 The employee completes the description of the problem section of the red "HOLD" tag.
- 10.2.3 An authorized employee evaluates the nonconforming or suspect product and determines its disposition. The disposition options are:
- a) use as-is,
  - b) repair,
  - c) return to supplier, or
  - d) scrap.

When the disposition is determined, the disposition section of the red "HOLD" tag is completed but the red "HOLD" tag stays with the product until disposition has been completed.

- 10.2.4 The red "HOLD" tag may be applied to a single item or a group of items provided that the items are in close proximity and are all clearly part of the group. If the group is broken up, new tags for each new group are created.

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**10.3 Disposition - Use as-is**

- 10.3.1 When the disposition is determined as “Use as-is”, the product is made available for sale or processing and either prepared for shipment or moved to a storage area assigned for accepted product. The red “HOLD” tag is completed and removed, and retained as a quality record.

**10.4 Disposition - Repair**

- 10.4.1 When the disposition is determined as “Repair”, the required work is performed and recorded on the red “HOLD” tag and, for technical repairs, on a Service Report or Work Order. The product is inspected.
- 10.4.2 When the inspection verifies that the product meets all original specifications, the red “HOLD” tag is completed and signed by the inspector, and retained as a quality record. A green sticker, signed by the inspector, is applied to the product or its packaging. The product is prepared for shipment or moved to a storage area designated for accepted product.
- 10.4.3 When the inspection determines that the product does not meet all original specifications but is suitable for sale, the red “HOLD” tag is completed and signed by the inspector. The red “HOLD” tag is retained as a quality record. A blue “USED CONDITION” tag is applied and signed by the inspector with a note identifying the condition. The product is prepared for shipment or moved to a storage area assigned for accepted product. The blue “USED CONDITION” tag remains with the product until the product is shipped.
- 10.4.4 When the inspection determines that the product is not suitable for sale or internal use, the disposition is reevaluated.

**10.5 Disposition - Return to Supplier**

- 10.5.1 When the disposition is determined as “Return”, the disposition is noted on the red “HOLD” tag and the supplier is advised that the product is being returned.
- 10.5.2 The employee who contacts the customer records it on the red “HOLD” tag with any Return Material Authorization (RMA) reference that may be given.



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10.5.3 At the time of the shipment, the red “HOLD” tag is removed from the product, signed off by the employee processing the shipment, and retained as a quality record.

### 10.6 Disposition - Scrap

10.6.1 When the disposition is determined as “Scrap”, the product is either placed in a suitably identified scrap container or stored in an area clearly identified as for scrap product.

10.6.2 When the disposition is complete and the product is leaving the premises, the red “HOLD” tag is signed and removed by the person making the disposition, and retained as a quality record.

### 10.7 Corrective Action

10.7.1 At the time that the disposition of the nonconforming or suspect product is being evaluated, the cause of the nonconformance is reviewed to determine the need for corrective action.

10.7.2 If a Corrective Action is initiated at the time of disposition, it is recorded on the red “HOLD” tag at that time. If a corrective action is initiated after disposition, the recording on the red “HOLD” tag is not required.

10.7.3 Where Corrective Action is required, it is initiated as per QACP 11 (Improvement).

### 10.8 Segregation of Nonconforming Product

10.8.1 Nonconforming or suspect product is held away from good product whenever possible to prevent unintentional mixing. It is acceptable to store suspect or nonconforming product at the point of discovery as long as the product is identified clearly to indicate a nonconforming or suspect condition.

### 10.9 Review of Nonconformances

10.9.1 The nonconformances identified on completed red “HOLD” tags are analyzed at least every three months by the appropriate General Manager or the Department Manager as per QACP 17 (Analysis of Data).



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- 10.9.2     Should a failure trend or serious concern be identified, the General Manager or the Department Manager initiates corrective or preventive action activity immediately as required by QACP 11 (Improvement).
  
- 10.9.3     The results of the analysis of the nonconformances and any action taken is presented to the following Management Review meeting.